

# NATIONAL CANNERS ASSOCIATION INFORMATION LETTER

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## CANNERS AT CHICAGO HEARING OPPOSE RATE INCREASE

Evidence in opposition to the proposed 15 per cent horizontal increase in freight rates was submitted by representatives of the canning industry at the hearing held by the Interstate Commerce Commission in Chicago on Friday, September 4th. Commissioner Meyer presided. The Association was represented by Mr. Spencer Gordon, of Covington, Burling and Rublee, and five witnesses.

Mr. Marc C. Hutchinson, First Vice President of the Association, presented a statement of the attitude of the industry, emphasizing the agricultural character of the canning industry, and making a special protest against discrimination that would result in an increase in freight rates on canned foods without a corresponding increase on competitive fresh fruits and vegetables. Mr. Hutchinson's statement also analyzed the conditions that make freight rates a vital factor in the production and marketing of canned foods; pointed out that an increase in freight rates would lessen railroad revenues because it would divert traffic from rail transportation, and emphasized the discrimination against localities marketing their products on a long haul that would result from a flat 15 per cent increase. He also gave evidence as to the present depressed condition of the canning industry, and particularly the effect of the low prices now prevailing for the industry's products.

Following Mr. Hutchinson's statement, Mr. Frank Gerber, President of the Fremont Canning Company, submitted data on the trend to truck haulage both on outbound canned products and on inbound materials and supplies. The testimony showed that this trend has recently shown a marked increase, and Mr. Gerber was of the opinion that a railroad rate increase would serve to divert more traffic to trucks and would probably reduce the revenue that the railroads could expect to obtain from the canners.

Mr. F. S. Gruman, of the National Tea Company, testified as to the character and extent of the present day competition between canned foods and fresh fruits and vegetables, and sub-

mitted figures showing the relative increase in the sale of the latter.

The closing witnesses for the canners were Mr. Howard Leonard, of Eureka, Ill., and Mr. E. H. Perkins, of Hoopeston, Ill., both of whom are growers of crops for canning purposes. Their testimony emphasized the importance of canning crops agriculture, the harm that would result from placing a handicap on the canning industry, which is their market, and the unfairness of any action that would discriminate between canning crops agriculture and other branches of the agricultural industry.

The statement presented by Vice President Hutchinson was as follows:

A canner may be defined as follows: Fruits and vegetables in a large measure are produced in areas remote from the more densely populated consuming centers in this country and abroad. The function of the canner is to purchase the raw produce from the grower at market prices and, by scientific processing, put the raw produce in cans in condition to pass it on to the consumer in a system of orderly marketing so that the canned product is available in all places at all times of the year. The canner thus performs the function of preserving and passing on to the consumer the produce of the farm and other perishable products.

The National Canners Association, which is incorporated under the laws of the State of Delaware, has a membership of about 650 individuals and firms out of about 2,700 engaged in the canning business. The output of the present membership represents about 70 per cent of the total output of the canning industry.

The National Canners Association has gone on record in this proceeding as opposing the request of the railroads for a horizontal 15 per cent raise in freight rates.

The question of railroad rates is a vital one in the canned food industry, and the National Canners Association opposes the present proposed increase in rates because (1) it will divert traffic to competitive forms of transportation, (2) it will diminish the sale of canned food and thus reduce the total revenues of the railroads from this industry, and (3) it will disturb existing competitive conditions between canners in different parts of the country.

The canning industry is largely concerned with the marketing of agricultural products, fruits and vegetables. The object of this canning is to preserve these products of the farm in as near their raw state as possible. When canned they compete directly with fresh fruits and vegetables. The canners oppose any general increase in freight rates which will include fruits and vegetables, whether fresh or canned, but particularly they wish to bring to the attention of the Commission the fact that if competitive conditions are to be maintained in regard to the products of agriculture, and if there is to be no raise in the rates on fresh fruits and vegetables, there should be no raise in the rates on the same products in their canned form.

#### **I. CANNING IS AN IMPORTANT AND WIDELY DISTRIBUTED INDUSTRY**

The canning industry has a wide geographical distribution. There are canneries in 44 of the 48 states, and in Alaska, Hawaii and Porto Rico.

The total number of canneries is about 3,800, and these are operated by about 2,700 individuals or firms. The number of canning firms and canning factories by states is given on Exhibit 1. The value of the industry's output at factory in 1929, as reported by the Census Bureau, was \$786,637,994, exclusive of the pack of Hawaiian pineapple amounting to over 9,000,000 cases, which would add probably \$40,000,000 to this total. The value of the pack of the various products is shown on Exhibit 58.

The magnitude of the canned foods industry can be realized when it is compared with the total value of the wheat crop. Taking the same year, 1929, the wheat crop was valued by the United States Department of Agriculture at \$843,030,000. The value of the canned food output, therefore, approximates that of the wheat crop.

**II. THE LOCATION OF CANNERIES NEAR THE SOURCE OF THE RAW FOOD BUT REMOTE FROM THE SOURCE OF THEIR CANS, SHIPPING CASES AND OTHER SUPPLIES, COUPLED WITH THE BROAD DISTRIBUTION OF THEIR PRODUCTS, MAKES FREIGHT CHARGES A VITAL FACTOR IN PRODUCTION AND MARKETING**

The greater part of the canned food which is consumed in any part of the United States is transported there from distant points of production. To cite a few examples, Alaska and the Pacific states produce practically all of the canned salmon, Florida most of the grapefruit, California most of the apricots and peaches, Maine and California practically all of the sardines, Hawaii practically all of the pineapples, Wisconsin about half of the peas.

All of these canned foods are, however, distributed to and consumed in all parts of the United States and in many foreign countries.

The canned food industry is thus vitally affected by freight rates. The cannery is ordinarily located near the source of supply of the raw product, and thus in most cases away from industrial centers, so that the cans, shipping cases, sugar, fuel and necessary supplies other than the raw product must be transported for relatively long distances from points of origin to the cannery. After the canned food has been prepared, it is sold locally only to a very limited extent, for, as has been pointed out, the product of a particular locality is generally distributed throughout the country.

**III. THE PROPOSED GENERAL INCREASE WOULD DIVERT TRAFFIC FROM THE RAILROADS, AND THUS DECREASE THEIR REVENUES**

From the standpoint of the canning industry, it is probable that the proposed 15 per cent increase will reduce rather than increase the revenues of the railroads. Competition of water and highway transportation has already lessened the movement of canned foods by rail, and higher rail rates can reasonably be expected to divert more traffic to water and trucks.

Competitive conditions in the food industry have already forced the canners to increase shipments by truck as compared to their shipments by rail. This applies to both incoming supplies and outgoing canned foods. A specific example of this is shown in Exhibit 59 which will be explained by Mr. Gerber who is to testify.

In many instances canners have made substantial investments in trucks. Others are contemplating doing so. This increase in trucks obviously does and will tie up capital in carrying equipment which would be unnecessary if the railroad rates were such that their freight cars could continue to be used for this purpose.

It is obvious that an increase in rail rates will accelerate the diversion of shipments now made by rail to truck transportation. In certain localities this condition will also be found as regards competition between rail and water transportation. Mr. Lyon, representing the Cannery League of California, discussed this in detail at the San Francisco hearing. It thus seems inevitable that an increase in freight rates would result in a decrease in the total revenues that the railroads would derive from shipments of supplies to the canneries and from shipments of canned foods from the canneries to the markets.

**IV. THE CANNING INDUSTRY IS IN NO POSITION TO ABSORB INCREASED RATES AND CANNOT REDUCE THE PRICE TO THE GROWER OR PASS THE INCREASE TO THE CONSUMER. A GENERAL INCREASE IN FREIGHT RATES WOULD DIMINISH THE SALE OF CANNED FOODS AND THUS LESSEN THE TOTAL REVENUE OF THE RAILROADS FROM THEIR TRANSPORTATION**

If freight rates are increased, the canner has three alternatives: He may absorb the increase without raising the price to the distributor, he may reduce the price to the producer for the raw product, or he may increase his prices enough to pass the increased freight rates to the distributor who may be expected, of course, to pass them on to the consumer.

The canning industry is in no condition to follow the first alternative of absorbing additional costs. Prices at the present level afford no profit to the canner. In June of the present year the wholesale prices of peaches, pineapples, string beans and tomatoes, as reported by the U. S. Bureau of Labor Statistics, were lower than the average prices for these products in the prewar year 1913. The prices were as follows:

*Relative prices based on 100 for the year 1928*

	1913	1931
Peaches .....	77.8	76.3
Pineapples .....	95.5	90.8
String beans .....	97.2	78.4
Tomatoes .....	90.7	76.7

The wholesale prices, actual and relative, of peaches, pineapples, string beans, corn, peas and tomatoes, for each year from 1913 to 1931, inclusive, are shown in Exhibit 60.

During the last six months many canned products have been sold at a loss either through absolute necessity of meeting bank obligations, or in the desire to dispose of inventories, even at a loss, to put business on a new basis. Cannerymen are unable to incur further losses without inviting financial disaster.

Cannerymen are not in position to make such further reductions in production costs as will enable them to offset increased transportation charges. The largest items in costs are raw products, cans and labor. To reduce prices now paid the farmers for raw materials would add further troubles to an already depressed agricultural industry. Certainly no one wishes that. The cost of cans is a factor not under cannerymen's control. Moreover, increased freight rates on cans will not tend to reduce can prices. With justice to employees, wages can be cut little, if any, below the present level.

The last alternative, passing on to the distributor the additional production costs due to the higher freight rates on materials and supplies and likewise making prices that would require the distributor to bear the freight on the finished product, would compel the distributor to raise prices to the consumer. Undoubtedly this would reduce canned foods consumption

and lessen the business of both the distributor and canner, would diminish the sale of canned foods and would reduce the total traffic to be carried by the railroads.

**V. A FLAT 15 PER CENT INCREASE IN FREIGHT RATES WILL RESULT IN A DISCRIMINATION AGAINST LOCALITIES MARKETING THEIR PRODUCTS ON A LONG HAUL**

As an emergency measure, the railroads are proposing a flat 15 per cent increase in freight rates. That this will result in discrimination against the locality which markets its products by a long haul is readily apparent. Suppose a product is shipped from point A to a certain market with a freight rate of one dollar, and from point B to the same market with a freight rate of two dollars. The producer at point B must now take one dollar less than the producer at point A in order to sell his product in competition. But if the rates are increased 15 per cent, they become \$1.15 and \$2.30, respectively, so that the producer at point B must then take \$1.15 less than the producer at point A instead of the \$1.00 difference now existing. Thus a flat increase of 15 per cent is, in reality, a discrimination against locality B as opposed to locality A.

To give a specific example: Suppose a product is shipped from the plant of the Fremont Canning Company at Fremont, Michigan, to Baltimore with a freight rate of 53½¢, minimum 36,000#, and from the plant of Libby, McNeill & Libby, at Manzanola, Colorado, to the same market (Baltimore) at rate of \$1.28, minimum 40,000#. The producer at Manzanola must now take 74½¢ less than the producer at Fremont, Michigan, in order to sell his product in competition. But if the rates are increased 15 per cent, they become 61½¢ and \$1.47, respectively, so that the producer at Manzanola must then take 85½¢ less than the producer at Fremont instead of the 74½¢ now existing. Thus a flat increase of 15 per cent is, in reality, a discrimination against Manzanola as opposed to Fremont.

As has been pointed out, canned foods are shipped to all parts of the country, so that there would be many instances of such local discriminations arising from a general percentage raise in rates.

**VI. CANNING IS AN AGRICULTURAL INDUSTRY FURNISHING A LARGE OUTLET FOR FARM PRODUCTS, INCLUDING FRUITS, VEGETABLES, MILK, MEATS AND POULTRY**

The canning of fruits and vegetables is a preserving rather than a manufacturing process. The object of the canner is not to change the form of the raw agricultural product but to preserve it as a pure food as nearly like its original state as possible. By cooking, the canner performs a function analogous to refrigeration.

The canning industry provides a definite, assured market for farm products, because it is the almost universal practice for the farmer and canner to enter into contract at a price fixed before the farmer does his planting. Thus the market hazard is removed for the farmer who grows canning crops, and he has a definite, dependable market, the extent of which is determined only by the canning industry's condition.

The importance of canned foods as an outlet for the products of agriculture is shown by a comparison of the acreage of truck crops grown for canning purposes and truck crops grown for consumption as fresh vegetables. From figures taken from the Agricultural Yearbook for 1931 published by the Department of Agriculture, and taking the averages for

the years 1924-1930, approximately three-sevenths of these crops have been used for canning purposes and approximately four-sevenths for consumption as fresh articles. The figures on which this statement is based appear in Exhibit 61. Obviously, of the four-sevenths not canned, a substantial part is not susceptible of canning, such as melons, lettuce, etc.

The growth of crops for canning is a recognized branch of the agricultural industry of the United States. The Federal Department of Agriculture and many State Departments of Agriculture have so recognized the fact by the establishment of special provisions for research on canning crops and for assistance to the growers of these crops. Canned foods have been held agricultural products by the Secretary of Agriculture for the purposes of the U. S. Warehouse Act of August 11, 1926, which only permits the warehousing of agricultural products. A copy of the notice promulgating regulations for warehousemen storing canned foods, dated August 11, 1926, is contained in Exhibit 62.

VII. AN INCREASE IN FREIGHT RATES ON CANNED FOODS WITHOUT A CORRESPONDING INCREASE IN FREIGHT RATES ON FRESH FRUITS AND VEGETABLES WOULD BE A DISCRIMINATION IN FAVOR OF ONE METHOD OF DISTRIBUTION OF FRUITS AND VEGETABLES AGAINST ANOTHER METHOD OF DISTRIBUTION OF THE SAME PRODUCTS

The Commission has announced that it will not receive evidence with regard to existing relations in rates of particular localities and rate groups. (See announcement of August 13, 1931, relating to Chicago hearing.) From this the inference arises that it is not the Commission's purpose to disturb existing competitive conditions between different localities. But there is not the same assurance that competitive conditions between various groups of industries will not be disturbed by an increase in rates on some classes of traffic but not on others. We must therefore address ourselves to the question of competition between fruits and vegetables in their fresh and canned state.

In recent years the canning industry has encountered increasing competition from fresh fruits and vegetables which now reach even the smaller cities and towns. For example, between 1924 and 1926 the total unloads of fruits and vegetables in 36 markets for which figures are available increased 16 per cent; and between 1927 and 1930 the increase in unloads in 68 markets was 14 per cent. In 1925 the pack of fruits and vegetables, including Hawaiian pineapple, was 149,589,000 cases; in 1929 it was 165,246,000 cases, a gain of about 10 per cent. The detailed figures as to unloads of fruits and vegetables, and the canned fruit and vegetable pack are shown on Exhibit 63. Since 1929, truck transportation of fruits and vegetables has extended the area in which these products can be marketed from the distribution centers to which they are shipped by rail.

It will be apparent that an increase in rates on canned foods without the same increase on rates on fresh fruits and vegetables will result in a very serious discrimination against the canned foods industry and the farmers whose product is canned. There is no just reason for such a discrimination in favor of one class of agricultural products against another.

The products preserved in cans are made available for consumption twelve months in the year, while consumption of such products of any given area in the fresh state is restricted by the length of the harvesting period as supplemented by refrigeration which has quite definite limitations of serviceability.

As has been pointed out, approximately three-sevenths of the acreage

of truck farms is devoted to products which go into the canned foods industry. There are throughout the country innumerable farmers who depend on the canned foods industry as the outlet for their products and a healthy condition in this industry gives these farmers a stable market. An increase in the freight rates on canned foods would obviously affect these farmers and there is no reasonable basis upon which the Commission can fairly discriminate against the farmer whose goods become canned foods and in favor of the farmer whose goods reach the public as fresh products.

#### CONCLUSION

The National Canners Association therefore opposes the application of the railroads for a flat 15 per cent raise in freight rates, and opposes any raise in rates on canned foods.

The Commission has announced that oral arguments in the case will be opened at Washington on September 21. It is expected that the Commission's decision will be forthcoming some time in October.

#### SHORT ITALIAN TOMATO CROP INDICATED

Italian production of tomatoes this year will be considerably reduced, according to information furnished by the American trade commissioner at Rome. Owing to the low prices realized last year, the acreage devoted to tomatoes during the current season was curtailed by growers. On top of this the summer has been unusually dry, with drought conditions in certain tomato-growing regions, with the result that the yield of fruit is considerably below normal. The outlook for the supply of tomatoes for canning is unsatisfactory, and it is believed that a considerable proportion of canning factories will not have a sufficient supply of raw tomatoes for their operations and will, in consequence, reduce their working schedule.

#### BEAN, CORN AND TOMATO FORECASTS

From reported conditions on September 1, the production of sweet corn for canning is forecast at 731,900 tons, or nearly 11 per cent larger than the estimated 1930 crop. Tomatoes for canning or manufacture are expected to make a crop only about 65 per cent as large as in 1930, the September 1 forecast indicating a crop of 1,172,000 tons. The crop of snap beans for canning is forecast at 70,520 tons or 17.4 per cent less than in 1930. Following are the estimates based on conditions on September 1:

##### Snap Beans

According to reported condition and probable yields on September 1, there has been very little change in the indicated production of snap beans for canning since the forecast of August 15. The forecast of production

is 17.4 per cent below the estimated production in 1930, or 70,520 tons compared with 85,300 tons produced in 1930 and with an average of 63,380 tons for the five years preceding 1930.

An average yield of 1.25 tons per acre is indicated for the 1931 season. This yield is slightly larger than the harvested yield of 1.15 tons in 1930, but is materially lower than the five-year average of 1.66 tons per acre for the period 1925-1929. The low yield indicated for 1931 is due largely to excessive midseason heat and dry weather in Wisconsin, Michigan, Indiana, and the Ozarks.

The table below gives, by States, the estimated acreage, indicated yield per acre, and forecast of production for 1931 compared with harvested acreage, yield per acre and estimated production in 1930.

State	Acreage		Yield Per Acre Indicated		Production Forecast	
	1930 Acres	1931 Acres	1930 Tons	1931 Tons	1930 Tons	1931 Tons
Maine .....	1,300	1,000	2.7	2.7	3,500	2,700
New York .....	11,270	7,400	1.3	1.8	14,600	13,320
Pennsylvania ..	3,450	2,800	.8	1.0	2,800	4,480
Indiana .....	3,710	3,500	.6	.7	2,200	2,450
Michigan .....	5,990	5,800	.9	.7	5,400	4,060
Wisconsin .....	9,000	7,500	.8	.8	7,200	6,000
Delaware .....	2,300	2,550	.7	1.2	1,600	3,000
Maryland .....	9,740	7,000	.8	1.4	7,800	10,640
South Carolina ..	1,400	700	1.0	.7	1,400	490
Tennessee .....	2,450	2,130	1.0	.7	2,400	1,490
Mississippi .....	2,640	1,720	1.0	1.2	2,000	1,720
Arkansas .....	3,000	3,200	.5	.8	1,500	2,560
Louisiana .....	3,500	1,000	1.2	.8	4,200	800
Colorado .....	2,100	940	4.0	2.0	8,400	1,880
Utah .....	1,280	200	3.1	3.8	4,000	760
Washington .....	940	756	3.3	3.8	3,100	2,850
Oregon .....	800	400	3.5	4.0	2,800	1,600
California .....	770	640	3.9	4.0	3,000	2,560
Other states *..	8,750	6,450	.8	1.1	6,800	7,100
United States	74,300	56,280	1.15	1.25	85,300	70,520

\* "Other states" include Alabama, Georgia, Idaho, Illinois, Iowa, Kansas, Kentucky, Minnesota, Missouri, Montana, Nebraska, New Jersey, Ohio, Oklahoma, Texas, Vermont, Virginia and West Virginia.

#### Sweet Corn

The production of sweet corn for canning, as indicated by reported condition and probable yields on September 1, is nearly 11 per cent larger than the estimated production in 1930 and is 3 per cent above the average production for the five years preceding 1930. A total of 731,900 tons is now indicated compared with 660,800 tons produced in 1930 and with an average production of 708,700 tons for the five years previous to 1930.

During the latter part of August a slight improvement in the crop prospects occurred in Indiana, Illinois, Wisconsin and Minnesota. Prospects in Nebraska have declined since August 15.

The reported condition on September 1 is 75.9 per cent compared with a ten-year average of 75 per cent for the same date.

The table below gives, by States, the estimates of planted acreage, indicated yield per acre and forecast of production for 1931 compared with harvested acreage, yield per acre and estimated production in 1930.

State	Acreage		Yield Per Acre Indicated		Production Forecast	
	1930 Acres	1931 Acres	1930 Tons	1931 Tons	1930 Tons	1931 Tons
Maine .....	13,200	10,700	3.7	2.9	48,800	31,000
New Hampshire .....	1,050	950	3.0	2.6	3,200	2,500
Vermont .....	2,100	1,330	2.3	2.6	4,800	3,500
New York .....	23,000	17,000	1.3	2.4	29,900	42,200
Pennsylvania ..	6,300	5,600	.8	2.0	5,000	11,200
Ohio .....	32,500	30,000	1.1	2.4	35,800	73,400
Indiana .....	43,500	37,200	1.3	1.9	56,000	70,700
Illinois .....	72,000	68,300	2.0	2.3	144,000	157,100
Michigan .....	7,300	8,200	.6	.6	4,400	4,900
Wisconsin .....	13,000	13,000	2.4	1.5	31,200	19,500
Minnesota .....	54,000	46,200	2.4	2.0	129,600	92,400
Iowa .....	55,000	51,200	2.0	2.2	110,000	112,000
Nebraska .....	8,000	7,800	1.4	1.3	11,200	10,100
Delaware .....	3,030	3,100	1.8	2.2	6,500	6,800
Maryland .....	34,000	39,700	.7	1.9	23,800	75,400
Tennessee .....	3,400	3,400	2.0	2.8	6,800	9,500
Other states *..	3,830	3,780	2.4	2.4	9,200	9,100
United States	375,810	348,660	1.76	2.10	600,800	731,900

\* "Other states" include Colorado, Idaho, Kentucky, Missouri, Montana, Oregon, South Dakota, Washington and Wyoming.

#### Tomatoes

Based upon reported condition and probable yields on September 1, the forecast of production of tomatoes for canning or manufacture, is 35.4 per cent below the estimated production in 1930 and is nearly 10 per cent below the five-year average production for the period 1925-1929. Indicated production is now 1,172,200 tons compared with 1,815,500 tons produced in 1930 and with an average of 1,297,000 tons for the five years preceding 1930.

On an acreage reduced 28 per cent below that of last year, the indicated yield per acre this season is 4.01 tons. For 1930 the estimated yield per acre was 4.48 tons; for the five years preceding 1930, the yields averaged 4.36 tons per acre. Condition of the crop on September 1 was 66.8 per cent of normal compared with a ten-year (1920-1929) average condition of 68.8 per cent for that date.

Since the middle of August heavy rains and windstorms have damaged the crop in many areas, especially in the Eastern and Southeastern regions. In New Jersey, Delaware, Maryland, and Virginia, the yields indicated on September 1 are materially lower than those of August 15. Prospective yields per acre are also lower in Indiana, Illinois, Michigan, Iowa and Kentucky. In New York and Ohio, the crop appears to be in good shape and high yields per acre are indicated.

The Ozarks report a probable yield per acre somewhat higher than the light yield of 1930, but due to the reduced acreage, the forecast of production is smaller than last year. California, with only 45 per cent as much acreage as a year ago, appears to have a crop only 35 per cent as large as in 1930. In Colorado and Utah, the indicated production is slightly larger than that of 1930.

State	Acreage		Yield per Acre		Production	
	1930	1931	1930	1931	1930	Forecast 1931
	Acres	Acres	Tons	Tons	Tons	Tons
New York	15,500	12,100	5.0	7.0	77,500	84,700
New Jersey	43,000	31,000	6.0	5.0	258,000	155,000
Pennsylvania	5,400	4,500	3.0	4.0	16,200	17,200
Ohio	12,400	9,900	5.4	6.0	67,000	59,400
Indiana	79,000	64,000	5.0	4.0	395,000	256,000
Illinois	6,500	4,500	3.2	3.5	20,800	15,800
Michigan	2,000	2,000	5.4	4.9	14,000	9,800
Iowa	6,400	6,400	5.0	4.1	32,000	26,200
Missouri	28,900	20,230	2.1	2.3	60,700	46,500
Delaware	14,000	11,800	3.4	2.7	47,600	31,900
Maryland	48,000	39,000	3.1	2.6	151,600	101,400
Virginia	15,500	10,800	2.8	2.2	43,400	23,800
Kentucky	8,430	5,900	2.6	3.2	21,900	18,900
Tennessee	14,000	9,800	2.4	2.4	33,600	23,500
Mississippi	3,550	2,130	3.1	2.5	11,000	5,300
Arkansas	28,000	16,800	2.1	2.9	58,800	48,700
Colorado	2,500	2,800	8.5	8.5	21,200	23,800
Utah	8,200	6,640	6.8	6.6	55,800	57,100
California	52,250	23,160	7.6	6.0	397,100	139,000
Other states *	9,790	8,800	3.3	3.2	32,300	28,200
United States	404,820	292,000	4.48	4.01	1,815,500	1,172,200

\* "Other states" include Connecticut, Kansas, Louisiana, Nebraska, New Mexico, Oklahoma, Oregon, South Carolina, Texas, Washington, West Virginia and Wisconsin.

## Crop Conditions

	Sept. 1, 1931	Sept. 1, 1930	10-year average Sept. 1, 1920-29		Sept. 1, 1931	Sept. 1, 1930	10-year average Sept. 1, 1920-29
	Pct.	Pct.	Pct.		Pct.	Pct.	Pct.
SWEET CORN				TOMATOES			
Maine	83	94	80	New York	88	53	72
New Hampshire	*	*	84	New Jersey	70	76	72
Vermont	82	85	74	Pennsylvania	70	40	72
New York	93	42	69	Ohio	84	74	71
Pennsylvania	76	15	71	Indiana	73	69	73
Ohio	84	24	70	Illinois	68	50	73
Indiana	81	59	74	Michigan	71	54	76
Illinois	84	58	80	Iowa	70	71	71
Michigan	30	23	66	Missouri	54	46	60
Wisconsin	52	57	71	Delaware	58	57	68
Minnesota	67	76	70	Maryland	54	52	65
Iowa	74	57	82	Virginia	47	32	59
Nebraska	54	52	83	Kentucky	68	42	65
Delaware	80	46	71	Tennessee	60	43	66
Maryland	74	13	72	Mississippi	*	..	..
Tennessee	97	70	†84	Arkansas	65	46	63
Other states	76	77	76	Colorado	75	84	76
U. S. average	75.0	52.6	75.0	Utah	71	50	79
				California	75	90	79
				Other states	62	54	69
				U. S. average	66.8	62.3	68.8

\* No report.

† Two-year average.

\* No report.

**EDIBLE BEAN CROP PROSPECTS**

The bean crop has suffered severely from the unusual heat and dryness in important producing states. The September 1 condition of 59.3 is far below the 10-year average of 73.2 for that date. The indicated production of 18,725,000 bushels is about 2,000,000 less than August 1 prospects, 3,182,000 less than last year and only slightly above the 5-year average of 18,400,000 bushels.

**FILL REQUIREMENTS FOR FRUIT UNDER MAPES LAW**

Apparently all canners do not understand clearly the requirements of the McNary-Mapes standards as to the amount of fruit to be filled in the can. In the standards for apricots, pears and peaches the requirement is as follows:

The weight of fruit in the container is not less than two-thirds the weight of water which the sealed container will hold at 68° F., except that, when necessary to prevent crushing of the fruit, a tolerance not exceeding the weight of one average piece is allowed. The liquid portion of the finished product reads not less than 14° Brix (read at the proper temperature for the instrument used).

As will be seen, these standards use the capacity of the can, as expressed in terms of the weight of water it will hold at 68 degrees F., as the basis for the amount of fruit to be placed in the can. The basis is therefore the put-in weight. It is not the cut-out weight, which varies with the different degrees of syrup that may be used.

The amount of fruit required for a can which when sealed holds 30 ounces of water will always be at least 20 ounces, regardless of whether water or syrup is used to complete the fill.

Attention is also called to the tolerance permitted by the standards to prevent crushing of the fruit, this tolerance being the weight of one average piece of the fruit.

Information as to the capacity of cans used for fruit, expressed in terms of the weight of water they will hold, will be found in the Information Letter for May 9th, page 2464.

**NAVY SEEKS BIDS ON CANNED SALMON**

Bids on 361,000 pounds of canned salmon will be opened by the Bureau of Supplies and Accounts of the Navy Department, at Washington, D. C., on October 13. The schedule specifies that the salmon shall be Chinook or Red and that samples must be submitted in advance of the time fixed for opening the bids. Bids are requested for delivery of 76,000 pounds at Brooklyn, 105,000 pounds at Hampton Roads, 85,000 pounds at Mare Island, and 95,000 pounds at Bremerton.

## TRUCK CROP MARKETS

Carlot shipments of fruits and vegetables showed the normal seasonal changes during the week ended September 5. Fall crops were becoming more active and the markets were rather weak.

## CARLOT SHIPMENTS

Commodity	Aug. 30- Sept. 5, 1931	Aug. 23-29, 1931	Aug. 31- Sept. 6, 1930	Total this sea- son thru Sept. 5	Total last sea- son thru Sept. 6	Total last season
Apples, total	954	627	1,402	6,178	8,049	100,795
Eastern states	496	320	780	3,360	4,807	43,258
Western states	458	307	622	2,818	3,242	66,537
Beans, snap and lima	28	28	31	8,714	8,989	9,559
Blackberries, dewberries, loganberries	23	18		288		
Cabbage	436	474	400	22,014	19,297	38,319
Carrots	28	70	38	9,089	9,807	12,434
Cauliflower	114	116	274	544	604	9,612
Cucumbers	87	159	181	6,008	6,908	7,043
Mixed deciduous fruit	237	347	478	2,969	4,499	5,921
Mixed vegetables	385	403	557	21,938	23,540	31,180
Peaches	2,926	6,224	4,326	43,045	34,776	38,490
Pears	1,378	1,395	2,252	11,970	15,332	28,835
Peas, green	41	71	107	6,300	6,200	6,800
Peppers	5	14	19	2,583	2,205	2,786
Plums and fresh prunes	380	325	533	4,604	6,882	8,716
Spinach	6	9	2	9,304	9,416	9,636
Tomatoes	389	301	847	22,429	24,867	34,050

## BUSINESS INDICATORS

(Weeks ended Saturday; weekly average 1923-25=100)

	1931			1930		
	Sept. 5	Aug. 29	Aug. 22	Sept. 6	Aug. 30	Aug. 23
General business:*						
New York Times		70.7	†71.9	86.5	87.3	87.6
Business Week		70.4	†71.4	83.5	86.8	88.9
Freight car loadings			78.1	89.3	102.7	98.1
Wholesale prices (Fisher's):						
All commodities	68.9	68.9	69.4	83.5	83.3	82.8
Agricultural products	56.4	57.0	58.3	87.0	86.5	85.8
Non-agricultural products	72.2	72.1	72.4	81.3	81.3	80.8
Bank debits outside New York City	82.8	70.8	83.8	94.1	93.8	110.0
Bond prices	103.0	103.6	103.9	108.6	108.3	108.0
Stock prices	123.8	120.5	128.0	208.0	206.2	202.5
Interest rates:						
Call money	36.4	36.4	36.4	58.2	48.5	56.5
Time money	40.0	40.0	37.3	74.3	74.3	74.3
Business failures	113.8	107.1	109.1	82.6	115.7	107.1

\* Relative to a computed normal taken as 100.

† Revised.

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